

Exhibit B

**Form of Stipulation Permitting Entry of Stipulated Judgment Upon Event of Payment Default
under Tax Benefit Payment Agreement**

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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**STIPULATION PERMITTING ENTRY
OF STIPULATED JUDGMENT UPON
EVENT OF PAYMENT DEFAULT
UNDER TAX BENEFITS PAYMENT
AGREEMENT**

1 This Stipulation (the “**Stipulation**”) is entered into by PG&E Corporation (“**PG&E**”) and
2 Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession
3 (collectively, the “**Debtors**”), on the one hand, and the Official Committee of Tort Claimants (the
4 “**TCC**”), on the other hand. The Debtors and the TCC are referred to in this Stipulation
5 collectively as the “Parties,” and each as a “Party.” The Parties hereby stipulate and agree as
6 follows:

7 **RECITALS**

8 A. On March 16, 2020, the Debtors filed their *Debtors’ and Shareholder Proponents’*
9 *Joint Chapter 11 Plan of Reorganization Dated March 16, 2020* (the “**Plan**”). Capitalized terms
10 that appear in this Stipulation without definition carry the meaning ascribed to them in the Tax
11 Benefit Payment Agreement or, if not defined therein, the Plan. This Stipulation is entered into
12 by the Parties in contemplation of confirmation of the Plan, or any amended version thereof.

13 B. The Plan provides that \$1.35 billion of the overall Aggregate Fire Victim
14 Consideration will be paid post-confirmation to the Fire Victim Trust pursuant to a Tax Benefits
15 Payment Agreement, which is defined by and described in Section 1.208 of the Plan the form of
16 which is attached as Exhibit A hereto (the “**Tax Agreement**”).

17 C. Pursuant to Section 2.2(b) of the Tax Agreement, if there is a First Payment
18 Shortfall on the First Payment Date and a resulting failure of the Reorganized Utility to provide
19 the Fire Victim Trust the LC contemplated by Section 2.2(a) of the Tax Agreement within ten
20 (10) days of the LC Issuance Date (which is the date that is fifteen (15) business days after the
21 First Payment Date), then the Fire Victim Trust has the right to file in any court of competent
22 jurisdiction in the State of California a stipulated judgment substantially in the form of Exhibit B
23 hereto (the “**First Stipulated Judgment**”), along with a declaration by the trustee of the Fire
24 Victim Trust (the “**First Payment Declaration**”) stating that the Fire Victim Trust’s right to
25 obtain entry of the First Stipulated Judgment has arisen under the terms of the Tax Benefits
26 Payment Agreement.

27 D. Pursuant to Section 2.4 of the Tax Agreement, if there is a Final Payment
28 Shortfall, then commencing February 8, 2022, the Fire Victim Trust shall have the right to file in

1 any court of competent jurisdiction in the State of California a stipulated judgment substantially
2 in the form of Exhibit C hereto (the “**Second Stipulated Judgment**”), along with a declaration by
3 the trustee of the Fire Victim Trust (the “**Second Payment Declaration**”, and, together with the
4 First Payment Declaration, the “**Payment Declarations**”) stating that the Fire Victim Trust’s
5 right to obtain entry of the Second Stipulated Judgment has arisen under the terms of the Tax
6 Benefits Payment Agreement.

7 E. In order to ensure that there is no dispute pertaining to the jurisdiction of any court
8 of competent jurisdiction to enter either the First Stipulated Judgment or Second Stipulated
9 Judgment (collectively, the “**Judgments**”) upon filing, lodging, and/or uploading by the Fire
10 Victim Trust, the Parties have agreed to confirm their understanding of the procedures that may
11 apply to entry of either or both of the Judgments, and to confirm such understanding as a term of
12 confirmation of the Plan by the United States Bankruptcy Court for the Northern District of
13 California (the “**Bankruptcy Court**”).

14 **NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE**
15 **INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT HEREBY IS**
16 **STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH THE**
17 **UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE COURT TO ORDER**
18 **IN CONNECTION WITH CONFIRMATION OF THE PLAN, THAT:**

19 1. Upon any of the circumstances described in the Tax Agreement that permit the
20 Fire Victim Trust to file and seek entry of either of the Judgments, the Fire Victim Trust may
21 avail itself of any available procedure in any court of competent jurisdiction in the State of
22 California for entry of either or both of the Judgments, in the Fire Victim Trustee’s sole
23 discretion.

24 2. If the Fire Victim Trust chooses to seek entry of either or both of the Judgments in
25 the Bankruptcy Court, the Parties stipulate that the filing of a Payment Declaration with such
26 Judgment, as contemplated in Tax Agreement, will serve as an action to enforce the terms of the
27 confirmed Plan and will arise as a contested matter under Federal Rule of Bankruptcy Procedure
28 9014, thereby permitting the Bankruptcy Court to enter either or both of the Judgments without

1 the need to initiate an adversary proceeding by complaint or contested matter by motion.

2 3. If, following the filing of a Payment Declaration, the Bankruptcy Court requires
3 the Fire Victim Trust to initiate an adversary proceeding by complaint, or initiate a contested
4 matter by motion, prior to entry of the Judgment, the Parties agree that PG&E and the Utility, as
5 Reorganized Debtors, will not have any right to file a response to such complaint or motion (other
6 than to dispute the facts alleged to give rise to the required triggering events described in the
7 Payment Declaration), and agree that the Bankruptcy Court may enter either or both of the
8 Judgments (if the required triggering events described in the Tax Agreement have arisen)
9 immediately upon initiation of the adversary proceeding or contested matter, and that the Fire
10 Victim Trust may obtain entry of either or both Judgments, as permitted under the Tax
11 Agreement, only after providing reasonable notice to the Reorganized Debtors of the Fire Victim
12 Trust's intent to file such Payment Declaration, which notice shall include the date of and court in
13 which the Payment Declaration will be filed, and the Reorganized Debtors are given opportunity
14 to respond to such Payment Declaration (solely to dispute the facts alleged to give rise to the
15 required triggering events of such Payment Declaration).

16 4. If the Fire Victim Trust chooses to seek entry of the Judgments in the Bankruptcy
17 Court, or in any other court of competent jurisdiction in the State of California, including but not
18 limited to the United States District Court for the Northern District of California (the "**District**
19 **Court**") or the Superior Court for the State of California, County of San Francisco (the
20 "**Superior Court**"), the Fire Victim Trust may make any changes to the form of either or both of
21 the Judgments as required to permit the filing of such Judgments in such court, such as changes to
22 the caption, case name, attorney information, and other non-material revisions, and such revised
23 Judgment shall be deemed the same Judgment for purposes of this Stipulation and the Tax
24 Agreement.

25 5. If the Fire Victim Trust chooses to seek entry of either or both of the Judgments in
26 any court of competent jurisdiction other than the Bankruptcy Court, including but not limited to
27 the District Court or Superior Court, the Parties agree that PG&E and the Utility, as Reorganized
28 Debtors will not have any right to file a response to any declaration, complaint or motion that is

1 filed to obtain entry of either or both of the Judgments (other than to dispute the facts alleged to
2 give rise to the required triggering events described in the applicable Payment Declaration), and
3 that the Fire Victim Trust may obtain entry of either or both Judgments (if the required triggering
4 events described in the Tax Agreement have arisen) only after providing reasonable notice to the
5 Reorganized Debtors of the Fire Victim Trust's intent to file such Payment Declaration, which
6 notice shall include the date of and court in which the Payment Declaration will be filed, and the
7 Reorganized Debtors are given opportunity to respond to such Payment Declaration (solely to
8 dispute the facts alleged to give rise to the required triggering events of such Payment
9 Declaration).

10 6. The Parties agree that the First Stipulated Judgment, upon entry, shall be deemed a
11 final judgment for purposes of execution and collection pursuant to Fed. R. Civil. P. 54(b), and
12 that the entry of the First Stipulated Judgment will resolve the Parties' disputes solely with
13 respect to the First Payment Shortfall and issuance of a letter of credit.

14 7. The Parties agree that the Second Stipulated Judgment, upon entry, shall be
15 deemed a final judgment for purposes of execution and collection pursuant to Fed. R. Civil. P.
16 54(b), and that the entry of the Second Stipulated Judgment will resolve the Parties' disputes
17 solely with respect to the Final Payment Shortfall.

18 8. PG&E and the Utility have entered into this Stipulation on the understanding that,
19 as Reorganized Debtors, they will be the same corporate entities as they are now, and that they
20 presently have the capacity to bind themselves as Reorganized Debtors by entering into this
21 Stipulation in connection with confirmation of their Plan.

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Dated: May __. 2020

WEIL, GOTSHAL & MANGES LLP
KELLER & BENVENUTTI LLP

/s/

*Attorneys for Debtors
and Debtors in Possession*

Dated: May __, 2020

BAKER HOSTETLER LLP

/s/

*Attorneys for Official Committee of Tort
Claimants*